

<p>RON BENDER (SBN 143364) JULIET Y. OH (SBN 211414) LINDSEY L. SMITH (SBN 265401) LEVENE, NEALE, BENDER, YOO & BRILL L.L.P. 10250 Constellation Boulevard, Suite 1700 Los Angeles, California 90067 Telephone: (310) 229-1234; Facsimile: (310) 229-1244 Email: RB@LNBYB.com, JYO@LNBYB.com, LLS@LNBYB.com</p> <p>Proposed Counsel for Chapter 11 Debtor and Debtor in Possession</p>	<p>FOR COURT USE ONLY</p>
<p style="text-align: center;">UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA SANTA ANA DIVISION</p>	
<p>In re:</p> <p>THE SOURCE HOTEL, LLC,</p> <p>Debtor.</p>	<p>Lead Case No.: 8:21-bk-10525-ES</p> <p>Chapter 11</p> <p>NOTICE OF LODGMENT OF ORDER IN BANKRUPTCY CASE RE:</p> <p>DEBTOR'S MOTION FOR ENTRY OF ORDER: (1) AUTHORIZING SALE OF SUBSTANTIALLY ALL OF THE DEBTOR'S ASSETS; (2) AUTHORIZING THE DEBTOR'S ASSUMPTION AND ASSIGNMENT OF GROUND LEASE AND DETERMINING CURE AMOUNT; (3) WAIVING THE 14-DAY STAY PERIODS SET FORTH IN BANKRUPTCY RULES 6004(h) AND 6006(d); AND (4) GRANTING RELATED RELIEF</p>

PLEASE TAKE NOTE that the order titled **ORDER DENYING DEBTOR'S MOTION FOR ENTRY OF ORDER: (1) AUTHORIZING SALE OF SUBSTANTIALLY ALL OF THE DEBTOR'S ASSETS; (2) AUTHORIZING THE DEBTOR'S ASSUMPTION AND ASSIGNMENT OF GROUND LEASE AND DETERMINING CURE AMOUNT; (3) WAIVING THE 14-DAY STAY PERIODS SET FORTH IN BANKRUPTCY RULES 6004(h) AND 6006(d); AND (4) GRANTING RELATED RELIEF** was lodged on October 13, 2021 and is attached. This order relates to the motion, which is docket number 227.

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UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
SANTA ANA DIVISION

In re:

THE SOURCE HOTEL, LLC, a
California limited liability company,

Debtor and Debtor in
Possession.

Case No.: 8:21-bk-10525-ES

Chapter 11

**ORDER DENYING DEBTOR'S MOTION
FOR ENTRY OF ORDER: (1)
AUTHORIZING SALE OF
SUBSTANTIALLY ALL OF THE
DEBTOR'S ASSETS; (2) AUTHORIZING
THE DEBTOR'S ASSUMPTION AND
ASSIGNMENT OF GROUND LEASE AND
DETERMINING CURE AMOUNT; (3)
WAIVING THE 14-DAY STAY PERIODS
SET FORTH IN BANKRUPTCY RULES
6004(h) AND 6006(d); AND (4) GRANTING
RELATED RELIEF**

Continued Auction/Sale Hearing:

Date: October 1, 2021

Time: 10:00 a.m.

Place: ZoomGov

1 Hearings were held on September 30, 2021 at 2:00 p.m. and on October 1, 2021 at 10:00
2 a.m. (the “Hearings”), before the Honorable Erithe A. Smith, United States Bankruptcy Judge for
3 the Central District of California, Santa Ana Division, in Courtroom “5A” located at 411 West
4 Fourth Street, Santa Ana, California 92701 (via ZoomGov), to consider the *Debtor’s Motion For*
5 *Entry Of Order: (1) Authorizing Sale of Substantially All Of The Debtor’s Assets; (2)*
6 *Authorizing The Debtor’s Assumption And Assignment Of Ground Lease And Determining Cure*
7 *Amount; (3) Waiving The 14-Day Stay Periods Set Forth In Bankruptcy Rules 6004(h) And*
8 *6006(d); And (4) Granting Related Relief* [Doc. No. 227] (the “Motion”) filed by The Source
9 Hotel, LLC, a California limited liability company (the “Debtor”), the debtor and debtor in
10 possession in the above-captioned chapter 11 bankruptcy case. Appearances at the Hearings
11 were made as set forth on the record of the Court.

12 The Court, having considered (i) the Motion and all papers filed by the Debtor in support
13 of the Motion; (ii) the objections and responses to the Motion filed by Westransco, Inc. [Doc.
14 No. 234], certain lenders of the Debtor’s ground lessor, The Source at Beach, LLC [Doc. No.
15 235], Shady Bird Lending, LLC [Doc. No. 237], Aragon Construction, Inc. [Doc. No. 238], the
16 Debtor’s EB-5 lenders (the “EB-5 Lenders”), Beach Orangethorpe Hotel, LLC and Beach
17 Orangethope Hotel II, LLC [Doc. No. 239], Sunbelt Controls, Inc. [Doc. No. 240], Iron
18 Mechanical, Inc. [Doc. No. 241], Retrolock Corporation [Doc. No. 254]; (iii) the Debtor’s reply
19 to the objections and responses to the Motion [Doc. No. 256]; (iv) the surreplies filed by Aragon
20 Construction, Inc. [Doc. No. 263] and Sunbelt Controls, Inc. [Doc. No. 264]; (v) the joinders to
21 the objection filed by Aragon Construction, Inc. filed by Certified Tile, Inc. [Doc. No. 266] and
22 Solid Construction Company, Inc. [Doc. No. 268]; (vi) *Shady Bird Lending, LLC’s Statement*
23 *Seeking Cancelation Of Auction For Failure To Obtain A Financially Qualified Bidder* [Doc.
24 No. 262] (the “Shady Bird Statement”); (vii) the response to the Shady Bird Statement filed by
25 the EB-5 Lenders [Doc. No. 265]; (viii) *Debtor’s Statement Regarding Status Of Bids Received*
26 *And Auction/Sale Hearing* [Doc. No. 271]; and (ix) the oral arguments, statements and
27 representations of counsel and parties in interest made at the Hearings on the Motion, having
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determined that no Qualified Bid (as that term is defined in the Motion) was received by the Debtor, and other good cause appearing,

IT IS HEREBY ORDERED that the Motion is denied.

###

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is 10250 Constellation Boulevard, Suite 1700, Los Angeles, CA 90067

A true and correct copy of the foregoing **NOTICE OF LODGMENT OF ORDER DENYING DEBTOR'S MOTION FOR ENTRY OF ORDER: (1) AUTHORIZING SALE OF SUBSTANTIALLY ALL OF THE DEBTOR'S ASSETS; (2) AUTHORIZING THE DEBTOR'S ASSUMPTION AND ASSIGNMENT OF GROUND LEASE AND DETERMINING CURE AMOUNT; (3) WAIVING THE 14-DAY STAY PERIODS SET FORTH IN BANKRUPTCY RULES 6004(h) AND 6006(d); AND (4) GRANTING RELATED RELIEF** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On **October 13, 2021**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

- Ron Bender rb@lnbyb.com
- Sean R Bozarth seanb@novianlaw.com
- Christopher G. Cardinale ccardinale@agclawfirm.com, mgonzalez@agclawfirm.com
- Michael G Fletcher mfletcher@frandzel.com, sking@frandzel.com
- Amir Gamliel amir-gamliel-9554@ecf.pacerpro.com, cmallahi@perkinscoie.com; DocketLA@perkinscoie.com
- Robert P Goe kmurphy@goeforlaw.com, rgoe@goeforlaw.com; goeforecf@gmail.com
- Nancy S Goldenberg nancy.goldenberg@usdoj.gov
- Peter F Jazayeri peter@jaz-law.com
- Won Lee dlee@metallawgroup.com
- Daniel A Lev dlev@sulmeyerlaw.com, ccaldwell@sulmeyerlaw.com; dlev@ecf.inforuptcy.com
- Robert K Lu ewu@reidwise.com
- Aaron J Malo amalo@sheppardmullin.com, clopez@sheppardmullin.com; abilly@sheppardmullin.com
- Kyle J Mathews kmathews@sheppardmullin.com
- Juliet Y Oh jyo@lnbyb.com, jyo@lnbrb.com
- Ho-El Park hpark@hparklaw.com
- Ronald N Richards ron@ronaldrichards.com, morani@ronaldrichards.com
- United States Trustee (SA) ustpregion16.sa.ecf@usdoj.gov

2. SERVED BY UNITED STATES MAIL: On **October 13, 2021**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

None.

☐ Service List continued on attached page

1 **3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR**
2 **EMAIL** (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR,
3 on **October 13, 2021**, I served the following persons and/or entities by personal delivery, overnight mail
4 service, or (for those who consented in writing to such service method), by facsimile transmission and/or
5 email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight
6 mail to, the judge will be completed no later than 24 hours after the document is filed.

7 *None.*

8 I declare under penalty of perjury under the laws of the United States of America that the foregoing is
9 true and correct.

10 October 13, 2021

11 Stephanie Reichert

12 /s/ Stephanie Reichert

13 *Date*

14 *Type Name*

15 *Signature*